



**SOTKAMO SILVER AB**  
**(NGM: SOSI; NASDAQ: SOSI1)**

**Press Release 23<sup>th</sup>, March 2018**  
**Stockholm, 11.15**

**SOTKAMO SILVER: SUBSCRIBED SHARES AND BONDS IN THE DIRECTED SHARE ISSUE AND BOND FINANCING HAS BEEN ALLOCATED**

The board of directors of Sotkamo Silver AB resolved as stated in the press release on 13 March 2018 to issue a maximum of 11,931,369 shares in the company. The right to subscribe for the shares was granted, with derogation from the shareholders' pre-emption rights, to a limited number of external investors informed by the company. Subscriptions and allocations has been made for 11,469,605 shares at a subscription price of EUR 0.34 per share. Subscribed shares shall be paid in at latest on 27<sup>th</sup> March 2018. The board of directors shall be entitled to extend the payment period. Sotkamo Silver AB will obtain approximately MEUR 4 before issue costs. The directed share issue entails a dilution effect of approximately 8.8 percent based on the total number of shares in the Company after the directed share issue.

As the part of the March 2, 2018 announced financing package, the Company's wholly owned subsidiary Sotkamo Silver Oy has resolved to issue a 4-year secured EUR 13,200,000 bond which has been subscribed and allocated. The coupon rate of the bond would be 10% p.a.. The loan will be repaid at maturity by a single instalment. The Issuer will collect funds for the repayment and/or repurchase of the Notes during years 2020-2021 totally approximately MEUR 5.4. The Bond financing shall be paid in at latest on 27<sup>th</sup> March 2018. The terms and conditions of the bond include limitations for payment of dividend to the parent company and to payment of interest on shareholder loans granted by the parent company during the loan period or until Sotkamo Silver Oy has collected funds for repayment and/or repurchase for an amount corresponding to the principal and interest of the bond, and 30 % equity ratio of Sotkamo Silver Oy covenant and other conventional undertakings. Release of the funds of the bond is subject to that Sotkamo Silver AB invest MEUR 13 as equity or shareholder loan in the subsidiary. As part of the collateral, Sotkamo Silver AB will provide a parent company guarantee as well as pledge its shares in the subsidiary and shareholder loan receivables which is has from its subsidiary. Sotkamo Silver Oy will, on its behalf, pledge its mining rights under the mining project, real property and assets chargeable under business mortgage.

As regards the issue of convertibles, the Annual General Meeting in the Company on March 15, 2018, granted an authorization for the board to issue convertibles. This authorization has been registered at the Swedish Companies Registration Office. The issuing of convertibles proceeds as announced on March 2, 2018. The issue of convertibles is part of the planned additional financing package, and the planned amount of the issue of convertibles is approximately EUR 5 million.

Stockholm, March 23<sup>th</sup> 2018  
Timo Lindborg, CEO



## **Contact person**

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This information is information that Sotkamo Silver AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, on 23 March 2018, at 11.15 CET.

The official Stock Exchange Releases are given in Swedish and there may be differences in the translated versions.

## **About Sotkamo Silver AB**

*Sotkamo Silver AB's business concept is to exploit mineral deposits in the Nordic countries with positive social and environmental benefits. Sotkamo Silver owns mineral deposits, which contain silver and gold in Finland as well as zinc and gold in Norway. The Company's main development project is the Silver Mine project in the municipality of Sotkamo.*

*Sotkamo Silver applies SveMin's & FinnMin's respective rules of reporting for public mining & exploration companies. Sotkamo Silver has chosen to report mineral resources and ore reserves according to the internationally accepted JORC or NI 43-101 code. The company applies International Financial Reporting Standards (IFRS) as approved by the European Union.*

*Legal Entity Identifier (LEI): 213800R2TQW1OZGYDX93*

*The ticker symbol is SOSI in NGM Equity in Stockholm and SOSI1 in NASDAQ Helsinki.*

*ISIN-code for Sotkamo Silver shares is SE0001057910.*

*Read more about Sotkamo Silver on d or [www.silver.fi](http://www.silver.fi)*

*The Company's press releases and financial reports are distributed via Cision Sverige and are available on [www.silver.fi](http://www.silver.fi)*